



# Brotherhood of Maintenance of Way Employees Division of the International Brotherhood of Teamsters

Freddie N. Simpson  
*President*

Perry K. Geller, Sr.  
*Secretary-Treasurer*

May 28, 2008

CSX General Chairmen and System Officers

Dear Sirs and Brothers:

**Re: CSX and TCI proxy solicitations**

If you own stock in CSX, you recently received proxy solicitations from two competing groups; CSX management ("the white ballot") and The Children's Investment Fund and 3G Capital ("the blue ballot"). These proxy solicitations seek your vote on the election of Directors for CSX. I believe it is in the best interest of CSX employees to vote the white ballot and reject the blue ballot.

Normally, I couldn't care less if a group of millionaires were fighting over dividing up a pot of loot. I do care when those millionaires want to line their pockets at the expense of the BMWED membership. We have had our disputes in the past with CSX management, in fact when I was a General Chairman, my Federation struck CSX on two occasions. Nevertheless, the plans the TCI/3G group have for CSX guarantee an erosion in our living standards and a reduction in the number of maintenance of way employees working for the railroad.

The TCI/3G group is all for increasing shareholder "value," which means, in plain English increasing the share price. This will be done, according to TCI/3G, by repurchasing the shares and reducing capital expenditures. Some of the share repurchases will be financed by additional debt. What that means is that less cash is directed at track maintenance and expansion, meaning less work for BMWED members. CSX's increased debt and need to use cash to service that debt will, in my opinion, lead to deferred maintenance of the physical plant. That is not a good result for BMWED members.

Additionally, TCI/3G speak of the increased "productivity" they intend to get out of the CSX workforce. Their "white paper" on CSX proposes a \$2.2 billion productivity enhancement over the next five years. \$150 million of that will come from "optimized" scheduling to "increase labor productivity" and a reduction in time employees are paid but not working. "Productivity" enhancements are just a fancy word for a speedup.

20300 Civic Center Drive, Suite 320  
Southfield, MI 48076  
Telephone 248.948.1010 Facsimile 248.948.7150  
[www.bmwe.org](http://www.bmwe.org)

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Finally, TCI/3G claim there is a poor labor relations culture at CSX. As I said earlier, we have had our differences with CSX in the past, and undoubtedly will have them in the future. However, no one from TCI/3G ever asked anyone in the BMWED about their opinion of CSX labor relations. Also, no one from TCI/3G has reached out to anyone in BMWED to explain their "vision" for CSX. For a group that claims the employees are mistreated and wants to create a new labor culture, the inability or unwillingness of TCI/3G to reach out to the BMWED speaks volumes about their sincerity on this issue. It is worth noting that TCI/3G did talk to BLET and UTU representatives. Obviously they made an impression as well because the BLET opposes the TCI/3G group.

The battle to improve the working conditions for our members is difficult. I do not see how the TCI/3G proposals for CSX will make that job any easier and they most likely will make our job harder and the working lives for our members and friends, much more difficult.

Fraternally,



President

cc: Mr. Perry K. Geller, Sr.